

Message Text

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PAGE 01 SAIGON 16974 251143Z

47 41

ACTION EA-14

INFO OCT-01 EUR-25 NEA-10 ISO-00 CIAE-00 DODE-00 PM-07

H-03 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SPC-03 SS-15 USIA-15 ACDA-19 IO-13 AID-20 DPW-01

DRC-01 ABF-01 OMB-01 TRSE-00 /177 W

----- 055057

R 251045Z SEP 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC 7449

INFO AMEMBASSY BUDAPEST

AMEMBASSY JAKARTA

AMEMBASSY TEHRAN

AMEMBASSY WARSAW

USDEL JEC PARIS

C O N F I D E N T I A L SAIGON 16974

EO 11652: GDS

TAGS: MARR VS

SUBJ: ICCS: ATTEMPT TO CUT COSTS

REF: SAIGON 16230

1. DIRGEN NUR CONFIRMED TO EMBOFFS SEPT 24 THAT ICCS WAS TERMINATING QTE A NUMBER OF DIRECT-HIRE EMPLOYEES UNQTE IN EFFORT TO REDUCE ICCS EXPENSES. EMBOFFS HAD EXPRESSED SOME CONCERN ICCS MIGHT BE LOSING EXPERTISE, PARTICULARLY IN PROCUREMENT AND CONTRACT MANANGEMENT, BUT NUR CLAIMED ICCS WAS NOT TERMINATING ALL.

2. NUR ALSO INDICATED THAT DETAILED STUDY PA&E CONTRACT SHOWED OVER HALF OF MONTHLY COST TO ICCS WAS ACCOUNTED FOR BY PA&E'S PERSONNEL COSTS, HE WAS THEREFORE ASKING PA&E, AS WELL AS OTHER CONTRACTORS, TO TAKE HARD LOOK AT NUMBERS OF US PERSONNEL WORKING ON ICCS CONTRACT, WITH VIEW TO LIMITING NUMBER AND, WHEN NECESSARY, REPLACING THEM WITH VIETNAMESE, ALL TO REDUCE COSTS. NUR ALSO
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INDICATED ICCS TAKING A HARD LOOK AT CONTRACTS IN GENERAL AND CON-

SIDERING RENEGOTIATION OF CERTAIN PARTS.

3. COMMENT: WHILE ICCS HARDHEADED ATTITUDE ON COSTS, THOUGH
BELATED, IS TO BE COMMENDED, ANY POSSIBLE SAVINGS TO BE DERIVED AT
THIS TIME CANNOT OBVIOUSLY BE APPLIED EX POST FACTO. LOCKING UP THE
BARN WOULD ALSO BE MORE EFFECTIVE IF ICCS HAD MUCH OF A BANK
ACCOUNT LEFT TO PROTECT. THE REPLACEMENT OF ALL BUT ONE AMERICAN
EMPLOYEE BY SEVERAL LOWER PAID VIETNAMESE MIGHT APPEAR TO BE A
SAVINGS BUT IN A SENSITIVE AREA LIKE PROCUREMENT, IT MIGHT END UP
COSTING THE ICCS MORE.
APPLING

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973SAIGON16974
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS APPLING
Errors: N/A
Film Number: n/a
From: SAIGON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730912/aaaaaill.tel
Line Count: 72
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: SAIGON 16230
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 19 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Sep-2001 by thigpegh>; APPROVED <27-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ICCS: ATTEMPT TO CUT COSTS
TAGS: MARR, VS
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005